

Message Text

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PAGE 01 ATHENS 00363 171343Z

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ACTION PER-05

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FM AMEMBASSY ATHENS

TO SECSTATE WASHDC PRIORITY 2188

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E.O. 11652: N/A

TAGS: APER AFSP GR

SUBJ: LOCAL EMPLOYEES HEALTH PLAN

REF A. STATE 236691 B. ATHENS 0189 C. STATE 6700

THE EMBASSY HAS MADE ADDITIONAL INQUIRIES ABOUT THE QUESTIONS RAISED IN STATE 6700 ON THE PROPOSED CONTRACT WITH THE HOSPITAL SERVICE PLAN. THE EMBASSY HAS UNTIL JANUARY 31 TO COMPLETE THE CONTRACT. THE FOLLOWING INFORMATION IS FURNISHED:

1) REFERENCE PARA 8 OF STATE 236691

A) PREMIUMS ARE STATED IN DRACHMAE IN CONTRACT:

SINGLE EMPLOYEE 2,952

MARRIED EMPLOYEE 5,040

MARRIED EMPLOYEE WITH DEPENDENTS 7,632

TOTAL PREMIUM WILL BE FIGURED IN DRACHMAE AND VOUCHER WILL BE FORWARDED TO RFC FOR PAYMENT IN EQUIVALENT DOLLARS AT RATE OF EXCHANGE ON DATE OF PAYMENT.

B) BENEFITS ARE STATED IN DRACHMAE IN THE SCHEDULE OF PAYMENT OF CONTRACT. CONTRACTOR WILL CONVERT TO POUND STERLING AT RATE QUOTED IN LONDON FINANCIAL TIMES FOR BOOKKEEPING AND THEN RECONVERT AND MAKE PAYMENT BY DRACHMAE CHECK OR EQUIVALENT THIRD CURRENCY IF REQUESTED.

C) THIS IS THE METHOD BEING USED TO PAY PREMIUMS AND SETTLE CLAIMS UNDER THE GROUP INS. PLAN BETWEEN THE FOREIGN SERVICE LOCAL EMPLOYEES AND THE HOSPITAL

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PAGE 02 ATHENS 00363 171343Z

SERVICE PLAN.

D) THIS FACILITATES PAYMENTS WHERE OBLIGATIONS FOR MEDICAL SERVICES ARE MADE OUTSIDE OF GREECE AND REIMBURSEMENT FOR CLAIMS MUST BE MADE AND PAID IN A THIRD CURRENCY.

2. EMBASSY HAS MADE FURTHER INQUIRIES INTO THE HOSPITAL SERVICE PLAN SERVICES IN GREECE AND HAS BEEN INFORMED OF THE FOLLOWING:

A) THE HOSPITAL SERVICE PLAN COMPANY IS NOT REGISTERED IN GREECE. THEY ACT AS REINSURERS FOR THE "PROODOS" INSURANCE COMPANY OF GREECE. THE AGENT'S NAME IS DR. S.J. MACRYMICHALOS. UNDER THIS ARRANGEMENT THEY HAVE INSURANCE CONTRACTS WITH INDIVIDUALS IN GREECE.

B) IF DEPT INSISTS ON REFERENCE TO GREEK LAW, BUSINESS WILL HAVE TO BE CHANNELLED THROUGH DR. MACRYMICHALOS. AN ADDITIONAL FEE OF 27.5 PERCENT WOULD BE CHARGED BY DR. MACRYMICHALOS FOR ADMINISTRATIVE EXPENSES.

C) UNDER CURRENT GROUP INS. PLAN DIRECTLY BETWEEN THE HOSPITAL SERVICE PLAN AND THE FSL EMPLOYEES, DR. MACRYMICHALOS RECEIVES 5 PERCENT AGENTS FEE FOR WHICH HE MUST STAND ALL RISKS AGAINST COMPANY IN GREECE.

3. EMBASSY'S LEGAL ASSISTANT HAS BEEN CONSULTED THROUGHOUT THE WRITING AND NEGOTIATIONS OF THE CNTRACT WITH THE HOSPITAL SERVICE PLAN. THE FOLLOWING PERTINENT FACTS ARE MADE:

A) THE CONTRACT IS PERMISSIBLE UNDER EXISTING GREEK LAWS ALTHOUGH IT IS BETWEEN A SOVEREIGN NATION (USA) AND A COMPANY REGISTERED OUTSIDE GREECE BECAUSE ALL PREMIUM PAYMENTS ARE MADE OUTSIDE GREECE AND ALL BENEFIT PAYMENTS ORIGINATE OUTSIDE OF GREECE.

B) THE EMPLOYEES ARE ADEQUATELY PROTECTED ON DISPUTES BY CHAPTER II C (7).

C) THE HOSPITAL SERVICE PLAN WILL CONTINUE ARRANGEMENTS UNDER 2C ABOVE.

4. IN VIEW OF THE ABOVE INFORMATION THERE IS NO LEGAL REQUIREMENT OF GREEK LAW FOR THE CHANGES REQUESTED IN PARAS 2, 5 AND 7 OF STATE 236691.
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PAGE 03 ATHENS 00363 171343Z

SINCE ALL PREMIUMS AND BENEFITS ARE STATED IN DRACHMAE THERE IS NO NECESSITY FOR THE ADDITION OF PARA 8 OF STATE 236691 WHICH WOULD IN FACT WORK A HARDSHIP ON THE LOCAL EMPLOYEES WHEN MEDICAL TREATMENT IS PERFORMED OUTSIDE OF GREECE AND PAYMENT IS REUESTED IN A THIRD CURRENCY.

5. EMBASSY FEELS IT HAS SATISFIED ALL QUESTIONS

CONCERNING THE DEPARTMENT'S DESIRE TO MENTION GREEK
LAW IN PARAS 2, 5 AND 7 OF STATE 236691 AND THE
REQUIREMENT OF PARA 8. IT IS REQUESTED THAT THE
DEPARTMENT AUTHORIZE THE EMBASSY TO SIGN THE CONTRACT
IMMEDIATELY. TASCA

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